

KANSAS RACING AND GAMING COMMISSION

MINUTES – MARCH 12, 2021

CALL TO ORDER (A.)

Chairman David Moses called the March 12, 2021 meeting to order at 9:30 a.m. The meeting was held via teleconference. Notice of this teleconference was given to the public via the KRGC website, Public Square website, and social media. Commissioners Brandon Jones, Larry Turnquist, Dave Myres, and Kelly Kultala were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Electronic Gaming Roger Bailey, Director of Electronic Security and IT Dennis Bachman, Director of Security Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

MOTION, EXECUTIVE SESSION; ATTORNEY- CLIENT PRIVILEGE AND BACKGROUND REPORTS (B.)

Commissioner Myres (Kultala) moved that the Commission go into executive session for the purpose of confidential attorney-client privileged communications and reviewing the list of confidential backgrounds for licensing. In addition to the commissioners, those included were the executive director and general counsel for the attorney-client privilege portion, and the executive director, general counsel, and director of security for reviewing the list of confidential backgrounds for licensing. The total time for the executive session was anticipated to be twenty-five minutes until 10:00 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 9:35 a.m.

RECONVENE (C.)

The commission meeting returned to open session at 10:05 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Kultala present. Commissioner Myres attended the executive session but was unable to attend the rest of the meeting. It was noted that the executive session lasted until 9:59 a.m., and the delay in reopening the open session was caused by the time taken to move between conference lines.

MOTION, APPROVE
AGENDA
(D.)

Commissioner Jones (Turnquist) moved to approve the agenda.
Motion carried 4-0.

MOTION, APPROVE
FEBRUARY 12, 2021
MEETING MINUTES
(E.)

Commissioner Kultala (Jones) moved to approve the minutes of the
February 12, 2021 meeting. Motion carried 4-0.

MOTION, APPROVE
CONSENT AGENDA
(F.)

Commissioner Turnquist (Kultala) moved to approve the consent
agenda. Motion carried 4-0.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; BOOT
HILL CASINO & RESORT
(G.1.a.)

Diane Giardine, General Manager, reported:

- February 2021 revenue numbers compared to February 2020:
 - Total gaming revenue down 6.64%
 - Total slot revenue down 7.00%
 - Table games revenue down 3.94%
- Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Promotions
 - Lucky Draw Promotion
 - VIP Promotions
 - KSHSAA 1A Division State Basketball Tournament, March 10th – 13th
 - Everclear with Fastball, April 24th
 - Bridal and Women's Day Out Expo, May 2nd
 - Dodge City High School Graduation, May 7th and 8th
 - Lee Brice, May 14th
 - Jeff Dunham, August 13th
- Boot Hill Casino's COVID-19 precautions and the impact on staff and patrons

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(G.2.a.)

Jeff Babinski, Vice President and General Manager, reported:

- February 2021 revenue numbers compared to February 2020:
 - Admissions down 41.5%
 - Total gross gaming revenue down 18.1%
 - Slot coin-in down 17.6%
 - Slot hold down 0.11 points
 - Table games drop down 17.8%

- Table games hold up 2.4 points
- Poker room remains closed
- Events and Promotions:
 - USA Wrestling D2, March 5th and 6th
 - KNOA Banquet Event, March 8th – 10th
 - USA Wrestling State Tournament, March 11th – 14th
 - Wichita Flea Market, March 19th – 21st
 - Adult Prom, March 27th
- Kansas Star Casino's COVID-19 precautions and the impact on staff and patrons

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(G.3.a.)

Rick Skinner, Vice President and General Manager, reported:

- February 2021 revenue numbers compared to February 2020:
 - Admissions down 43%
 - Total gaming revenue \$9.3 million, a decrease of 33.4%
 - Slot revenue \$8.6 million, a decrease of 30.9%
 - Table games revenue \$670,000, a decrease of 46%
 - Poker room remains closed
- Events and Promotions:
 - Kansas Lottery Ticket Giveaway, March 5th
 - VIP Find Your Pot O' Gold Promotion, March 6th
 - \$30K Mychoice Millionaire Slot Tournament, March 20th
 - Windy Day Jacket Giveaway, March 27th
- Hollywood Casino's COVID-19 precautions and the impact on staff and patrons

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(G.4.a.)

Jon Spiers, Director of Marketing, reported:

- February 2021 revenue numbers compared to February 2020:
 - Admissions down 43.3%
 - Net slot revenue down 16.1%
 - Table games drop down 41%
 - Net gaming revenue down 28.9%
- Events and Promotions:
 - Point Multiplier Kiosk Games, March Tuesdays
 - Camp 49 Specials, March Wednesdays
 - Fire Floor Promotion, March Fridays
 - Casino Gift Day, March Saturdays

- Casino Hot Seats, March 1st, 13th, and 29th
- Bank Buster Progressive Drawing, March 26th
- Blackjack Tournament, March 27th
- Kansas Crossing Casino's COVID-19 precautions and the impact on staff and patrons

COMMISSION ITEMS –
OLD BUSINESS
(H.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS; KANSAS
STAR CASINO/BOYD
GAMING CORPORATION
MATERIAL DEBT
TRANSACTION
APPROVAL REQUEST
(I.)

Matthew Bergmann, Attorney for Kansas Star Casino, and Josh Hirsberg, Executive Vice President, Chief Financial Officer and Treasurer of Boyd Gaming Corporation presented to the commission on a request to approve a material debt transaction involving Kansas Star Casino and its parent company, Boyd Gaming Corporation.

PUBLIC COMMENTS
(J.)

There were no public comments.

STAFF REPORTS
(K.1.a. and K.2)

Sarah Lynch-Chaput, Paralegal, reported on the Voluntary Exclusion Program statistics for the month of February 2021.

Executive Director Brownlee reported:

- Governor Kelly reappointed Commissioner Jones to the commission.
- The Kansas Senate passed a substitute for Senate Bill 84 which would allow sports wagering through the casinos and would disallow bets on greyhound racing and K-12 sporting events. This bill also requires 2% of the state share of sports wagering revenues go to the Problem Gambling Fund.
- House Bill 2199 that was discussed last month has not yet been taken up in committee. This bill would allow sports wagering through the casinos, Kansas Lottery, and 1,200 lottery retailers.
- A racing bill, Senate Bill 262, was introduced which would allow for a racetrack in each gaming zone, but disallows greyhound racing or betting on any greyhound racing.
- The Crosswinds tribal casino opened in Park City, KS.
- The Lottery is looking to the Kansas Department of Health and Environment for an opinion on Hollywood Casino's request

for relief on some of the COVID-19 mitigation measures currently required.

MOTION, EXECUTIVE
SESSION; CONFIDENTIAL
FINANCIAL
INFORMATION RELATED
TO KANSAS STAR
CASINO
(L.)

Commissioner Jones (Kultala) moved that the Commission go into executive session for the purpose of discussing confidential facility manager financial information related to Kansas Star Casino and Boyd Gaming Corporation's material debt transaction request for fifteen minutes, returning at 11:15 a.m. In addition to the commissioners, those included were the executive director, general counsel, and Todd Allen KRGC Government Relations Manager. Matt Bergmann, Attorney for Kansas Star Casino, and Josh Hirsberg, Executive Vice President, Chief Financial Officer, and Treasurer of Boyd Gaming Corporation would be asked to join if commissioners had questions. (Mr. Bergmann and Mr. Hirsberg were subsequently not called to join the executive session.) The total time for the executive session was anticipated to be fifteen minutes until 11:15 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried 4-0, and the meeting was adjourned to executive session at 11:00 a.m.

RECONVENE

The commission meeting returned to open session at 11:16 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, and Commissioner Kultala present. It was noted that the executive session lasted until 11:13 a.m., and the delay in reopening the open session was caused by the time taken to move between conference lines.

MOTIONS ON LICENSE
APPLICATIONS
(M.1)

Commissioner Turnquist (Jones) moved to *deny* one license application, *conditionally approve* three license applications, and *approve* the remaining 154 license applications from the March 12, 2021 list of background reports referred to the commission for action. The motion carried 4-0.

MOTION ON KANSAS
STAR CASINO/BOYD
GAMING CORPORATION
MATERIAL DEBT
TRANSACTION
APPROVAL REQUEST
(M.2)

Commissioner Jones (Turnquist) moved to approve Kansas Star Casino and Boyd Gaming Corporation's two billion dollar material debt transaction request with the condition that Boyd Gaming Corporation keep Executive Director Don Brownlee informed of the status of the transaction and forward any additional credit documents

to Executive Director Brownlee for review and approval well in advance of their intended execution date. The motion carried 4-0.

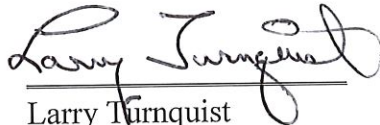
OTHER BUSINESS

No other business.


ADJOURN
(N.)

The next meeting of the commission is on April 16, 2021 at 9:30 a.m. The meeting will be held by teleconference. Commissioner Kultala (Jones) moved to adjourn the meeting. Motion carried 4-0. The meeting was adjourned at 11:27 a.m.

SUBMITTED BY:


Larry Turnquist
Secretary

APPROVED BY:


David Moses
Chairman